GOVERNMENT OF INDIA
AGRICULTURE
LOK SABHA

UNSTARRED QUESTION NO:1755
ANSWERED ON:03.03.2003
LOSSES SUFFERED BY NAFED
RENUKA CHOWDHURY

Will the Minister of AGRICULTURE be pleased to state:

(a) the details of the year-wise BE and RE for MSP operations by the NAFED during the years 1996-97 to 2002-2003;

(b) the year-wise losses incurred by the NAFED in MSP operations during the said period;

(c) whether NAFED could not undertake MSP operations for a considerable time during 2002-03, particularly in copra due to lack of funds as it could not re-pay its dues to banks and was declared defaulter on account of non-reimbursement of losses by the Government in time;

(d) if so, the steps being taken by the Government for timely reimbursement of losses of the NAFED for effective MSP operations in future; and

(e) whether the Government would consider to create a revolving fund for timely reimbursement of losses incurred on MSP operations by the NAFED?

Answer

MINISTER OF STATE IN THE MINISTRY OF AGRICULTURE (SHRI HUKUMDEO NARAYAN YADAV)

(a) & (b): A statement showing details of the year-wise BE and RE and losses incurred by NAFED in MSP operations from 1996-97 to 2002-03 is at annexure.

(c): Due to prices of oilseeds ruling below the Minimum Support Prices declared by the Government, from 1999-2000 to 2002-03, NAFED had to procure a large quantity of various oilseeds. The working capital for NAFED was arranged by this Department through cash credit limits sanctioned by RBI. As on 1st April, 2002, NAFED was to pay Rs.298.48 crore to the SBI. The rates of mustard seed and copra were ruling below the MSP. NAFED was facing financial problem because of the non-disposal of the stocks. After great persuasion at various levels with RBI and Ministry of Finance, the RBI sanctioned cash credit limit in June, 2002. The rates of copra later ruled above the MSP in major copra producing States.

(d) & (e): The B.E. for the year 2000-2001, 2001-2002 and 2002-03 were Rs.1.00 crore, Rs.25.00 crore and Rs.100.00 crore which were increased to the tune of Rs.26.00 crore, 353.00 crore and Rs.300.00 crore respectively, at R.E. stage. The creation of revolving fund to support MSP operations may be considered.

ANNEXURE

Statement showing details of the year-wise BE and RE and losses incurred by NAFED in MSP operations from 1996-97 and 2002-03

Amount in Rs. Lakh

Year	BE	RE	Tentative Profit/Loss
1996-97	1.00	1.00	(+)25.89
1997-98	100.00	95.00	(+)0.24
1998-99	100.00	1090.00	(-)12.73
1999-2000	100.00	100.00	(-)5578.64
2000-01	100.00	2600.00	(-)53921.64
2001-02	2500.00	35300.00	(-)13428.04
2002-2003(up to 30.9.02	10,000.00	30,000.00	(-)3667.84